

(3) Federal Identification Number. If the organization is a subordinate organization, provide the subordinate organization's federal identification number, not the parent's identification number.

(4) Other Documents. If a corporate merger has occurred, send a copy of the Articles of Merger as filed with the Secretary of State and an updated IRS Determination Letter of Exemption reflecting the name of the surviving corporation. If a consolidation has occurred, send a copy of the Articles of Consolidation as filed with the Secretary of State. If the merger or consolidation has resulted in a new federal identification number, give the number.

101.1.7. Instructions for Vendors

A vendor presented with a request for an exemption must:

- (1) Verify that the organization's exemption is still valid by checking the expiration date of the Form ST-2 or renewal notice.
- (2) Obtain a copy of the organization's Form ST-2 and Form ST-5 or Form ST-5C. For each exempt transaction, the vendor must record the sales price, the name of the purchasing organization, the date of sale and the certificate numbers. The vendor should keep this information with his or her other business tax records.

If a government entity does not offer an Exempt Purchaser Certificate, the vendor must maintain adequate documentation, generally, a copy of the government check, verifying that the purchaser is a government entity.

For more information call or write:

Mass. DOR
Exempt Organizations Unit
P.O. Box 7010
Boston, MA 02204
(617) 887-6367

REFERENCES:

G.L. c. 64H, §§ 6(d), (e), (f)
I.R.C. § 501(c)(3)
TIR 96-9
TIR 99-4
TIR 99-9
TIR 04-26
Form ST-2, Certificate of Exemption
Form ST-5, Sales Tax Exempt Purchaser Certificate
Form ST-5C, Contractor's Sales Tax Exempt Purchase Certificate

101.2. SALES TO THE UNITED STATES WITH U.S. GOVERNMENT BANKCARDS

101.2.1. Introduction

As of November 30, 1998, the General Services Administration (GSA) announced a revised program for administering U.S. Government purchases made by federal employees with bankcards and/or other credit cards (GSA cards). The GSA has established an official U.S. Government bankcard program, known as the GSA Smart Pay system, which replaces the Visa International Merchant Purchase Authorization Program (IMPAC). Federal employees can use the GSA cards for U.S. Government purchases of goods, within an authorized spending limit. The Massachusetts Department of Revenue will accept the GSA card as evidence that a particular sale is exempt under G.L. c. 64H, § 6 (d).

Purchases made with GSA cards that do not directly bind the U.S. government (cards beginning with the following prefixes if the sixth digit is 1, 2, 3, or 4: 4486 (Visa/MasterCard), 4716 (Visa/MasterCard), and 5568 (Visa/MasterCard)) are exempt if proper authorization is provided. Purchases made with all other GSA cards are exempt from taxation. The rules governing purchases of tangible personal property by employees that are later reimbursed can be found in TIR 99-21 and TIR 99-4. The rules governing room occupancy tax can be found in TIR

01-21, TIR 99-9 and TIR 98-1.

101.2.2. Procedure

In order for a purchase to be exempt from Massachusetts tax, an authorized federal employee must present to the vendor the GSA card with appropriate identification at the time of purchase. A Certificate of Exemption (Form ST-2) and a Sales Tax Exempt Purchaser Certificate (Form ST-5) are not required. If the credit card system authorizes the sale, the vendor will charge no sales tax, but will otherwise treat the purchase as an ordinary credit card transaction. The words "U.S. Government Tax Exempt" will be imprinted on the vendor's copy of the sales receipt.

101.2.3. Record Retention

The vendor must retain the merchant copy of the GSA credit card sales receipt. The vendor has the burden of proving that an exemption was properly given. G.L. c. 64H, § 8; 830 CMR 62C.25.1.

If you have any questions about GSA credit card sales, you may call (617) 887-MDOR 6367 or write:

Massachusetts Department of Revenue
Customer Service Bureau
P.O. Box 7010
Boston, MA 02204

REFERENCES:

G.L. c. 64H, §§ 6(a), 8

830 CMR 62C.25.1

TIR 98-1

TIR 99-4

TIR 99-9 which supersedes TIR 88-9

TIR 99-21

TIR 01-21

TIR 04-26

DD 03-4

DD 03-7

Form ST-2, Certificate of Exemption

Form ST-5, Sales Tax Exempt Purchaser Certificate